

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## SENATE ENROLLED ACT No. 457

AN ACT to amend the Indiana Code concerning economic development.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 36-7-13-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1.6. As used in this chapter, "district" refers to a community revitalization enhancement district designated under section **10.5 or** 12 of this chapter.

SECTION 2. IC 36-7-13-2.4, AS AMENDED BY P.L.138-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2.4. As used in this chapter, "gross retail base period amount" means:

(1) the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a district during the full state fiscal year that precedes the date on which:

(A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; **or**  
(B) **the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter;** or

(2) an amount equal to:

(A) the aggregate amount of state gross retail and use taxes remitted:

(i) under IC 6-2.5 by the businesses operating in the territory

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comprising a district; and  
(ii) during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter.

SECTION 3. IC 36-7-13-3.2, AS AMENDED BY P.L.138-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3.2. As used in this chapter, "income tax base period amount" means:

(1) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district for the state fiscal year that precedes the date on which:

(A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or

**(B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or**

(2) an amount equal to:

(A) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter.

SECTION 4. IC 36-7-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) In order to coordinate the efforts of the unit and any private industrial development committee in the community, an advisory commission on industrial development shall be appointed by the unit's executive.

(b) Except as provided in subsection (d), the commission shall be composed of six (6) members, including at least one (1) representative of the unit's government, at least one (1) representative of the local industrial development committee, at least one (1) representative of a local banking institution, at least one (1) representative of a local utility company, and at least one (1) representative of organized labor from

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the building trades. A member of the commission may represent more than one (1) of the organizations enumerated.

(c) The unit's legislative body shall request the commission's recommendations. The legislative body may not conduct any business requiring expenditures from the industrial development fund or make any sale or lease of property acquired by the unit under this chapter without the approval, in writing, of a majority of the members of the commission.

(d) In addition to the members described in subsection (b), if the executive of a unit has submitted a petition to a commission under section 10 of this chapter **or if the legislative body of a county or municipality has adopted an ordinance designating a district under section 10.5 of this chapter**, the following persons are members of the commission:

- (1) A member appointed by the governor.
- (2) A member appointed by the lieutenant governor.
- (3) A member appointed by the director of the department of workforce development.

SECTION 5. IC 36-7-13-10, AS AMENDED BY P.L.138-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) After approval by ordinance or resolution of the legislative body of a municipality located in a county having a population of:

- (1) more than one hundred eight thousand nine hundred fifty (108,950) but less than one hundred twelve thousand (112,000);
- (2) **more than two hundred thousand (200,000) but less than three hundred thousand (300,000); or**
- (3) **more than three hundred thousand (300,000) but less than four hundred thousand (400,000);**

the executive of the municipality may submit an application to an advisory commission on industrial development requesting that an area within the municipality be designated as a district.

(b) After approval by ordinance or resolution of the legislative body of a county, the executive of the county may submit an application to an advisory commission on industrial development requesting that an area within the county, but not within a municipality, be designated as a district. However, in a county having a population of more than one hundred twelve thousand (112,000) but less than one hundred twenty-five thousand (125,000), the legislative body of the county may request that an area within the county be designated as a district even if the area is within a municipality.

SECTION 6. IC 36-7-13-10.5 IS ADDED TO THE INDIANA



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CODE AS A NEW SECTION TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2001]: **Sec. 10.5. (a) This section applies only to a county that meets the following conditions:**

- (1) The county's annual rate of unemployment has been above the average annual statewide rate of unemployment during at least three (3) of the preceding five (5) years.**
- (2) The median income of the county has:**
  - (A) declined over the preceding ten (10) years; or**
  - (B) has grown at a lower rate than the average annual statewide growth in median income during at least three (3) of the preceding five (5) years.**
- (3) The population of the county (as determined by the legislative body of the county) has declined over the preceding ten (10) years.**

**(b) In a county described in subsection (a), the legislative body of the county may adopt an ordinance designating an unincorporated part or unincorporated parts of the county as a district, and the legislative body of a municipality located within the county may adopt an ordinance designating a part or parts of the municipality as a district, if the legislative body finds all of the following:**

- (1) The area to be designated as a district contains a building or buildings that:**
  - (A) have, in aggregate, a total of at least fifty thousand (50,000) square feet of usable interior floor space; and**
  - (B) are vacant or will become vacant due to the relocation of the employer or the ceasing of operations on the site by the employer.**
- (2) Significantly fewer persons are employed in the area to be designated as a district than were employed in the area during the year that is ten (10) years previous to the current year.**
- (3) There are significant obstacles to redevelopment in the area due to any of the following problems:**
  - (A) Obsolete or inefficient buildings.**
  - (B) Aging infrastructure or inefficient utility services.**
  - (C) Utility relocation requirements.**
  - (D) Transportation or access problems.**
  - (E) Topographical obstacles to redevelopment.**
  - (F) Environmental contamination or remediation.**

**(c) A legislative body adopting an ordinance under subsection (b) shall designate the duration of the district. However, the duration may not exceed fifteen (15) years from the time of**

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designation.

(d) Upon adoption of an ordinance designating a district, the legislative body shall submit the ordinance to the budget committee for review and recommendation to the budget agency.

(e) When considering the designation of a district by an ordinance adopted under this section, the budget committee and the budget agency must make the following findings before approving the designation of the district:

(1) The area to be designated as a district meets the conditions necessary for the designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(f) The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the budget agency approves the designation of the district by the local ordinance.

SECTION 7. IC 36-7-13-11, AS AMENDED BY P.L.138-1999, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. If a municipal or county executive submits an application requesting an area to be designated as a district under this chapter, the advisory commission on industrial development shall do the following:

(1) Compile information necessary to make a determination concerning whether the area meets the conditions necessary for designation as a district.

(2) Prepare maps showing the boundaries of the proposed district.

(3) Prepare a plan describing the ways in which the development obstacles described in section 12(b)(3), ~~or~~ 12(c), **12(d), or 12(e)** of this chapter in the proposed district will be addressed.

SECTION 8. IC 36-7-13-12, AS AMENDED BY P.L.138-1999, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) If a municipal or county executive has submitted an application to an advisory commission on industrial development requesting that an area be designated as a district under this chapter and the advisory commission has compiled and prepared the information required under section 11 of this chapter concerning the area, the advisory commission may adopt a resolution designating the area as a district if it makes the findings described in subsection (b), ~~or~~ (c), **(d), or (e)**. In a county described in subsection (c), an advisory commission may designate more than one (1) district under subsection (c).



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(b) For an area located in a county having a population of more than one hundred eight thousand nine hundred fifty (108,950) but less than one hundred twelve thousand (112,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

- (1) The area contains a building or buildings:
  - (A) with at least one million (1,000,000) square feet of usable interior floor space; and
  - (B) that is or are vacant or will become vacant due to the relocation of an employer.
- (2) At least one thousand (1,000) fewer persons are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.
- (3) There are significant obstacles to redevelopment of the area due to any of the following problems:
  - (A) Obsolete or inefficient buildings.
  - (B) Aging infrastructure or inefficient utility services.
  - (C) Utility relocation requirements.
  - (D) Transportation or access problems.
  - (E) Topographical obstacles to redevelopment.
  - (F) Environmental contamination.
- (4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).
- (5) The area is located in a county having a population of more than one hundred eight thousand nine hundred fifty (108,950) but less than one hundred twelve thousand (112,000).

(c) For a county having a population of more than one hundred twelve thousand (112,000) but less than one hundred twenty-five thousand (125,000), an advisory commission may adopt a resolution designating not more than two (2) areas as districts. An advisory commission may designate an area as a district only after finding the following:

- (1) The area meets either of the following conditions:
  - (A) The area contains a building with at least seven hundred ninety thousand (790,000) square feet, and at least eight hundred (800) fewer people are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.
  - (B) The area contains a building with at least four hundred forty thousand (440,000) square feet, and at least four hundred

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(400) fewer people are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.

(2) The area is located in or is adjacent to an industrial park.

(3) There are significant obstacles to redevelopment of the area due to any of the following problems:

- (A) Obsolete or inefficient buildings.
- (B) Aging infrastructure or inefficient utility services.
- (C) Utility relocation requirements.
- (D) Transportation or access problems.
- (E) Topographical obstacles to redevelopment.
- (F) Environmental contamination.

(4) The area is located in a county having a population of more than one hundred twelve thousand (112,000) but less than one hundred twenty-five thousand (125,000).

**(d) For an area located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:**

**(1) The area contains a building or buildings:**

- (A) with at least one million five hundred thousand (1,500,000) square feet of usable interior floor space; and**
- (B) that is or are vacant or will become vacant.**

**(2) At least eighteen thousand (18,000) fewer persons are employed in the area at the time of application than were employed in the area before the time of application.**

**(3) There are significant obstacles to redevelopment of the area due to any of the following problems:**

- (A) Obsolete or inefficient buildings.**
- (B) Aging infrastructure or inefficient utility services.**
- (C) Utility relocation requirements.**
- (D) Transportation or access problems.**
- (E) Topographical obstacles to redevelopment.**
- (F) Environmental contamination.**

**(4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).**

**(5) The area is located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).**

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(e) For an area located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

- (1) The area contains a building or buildings:
  - (A) with at least eight hundred thousand (800,000) gross square feet; and
  - (B) having leasable floor space, at least fifty percent (50%) of which is or will become vacant.
- (2) There are significant obstacles to redevelopment of the area due to any of the following problems:
  - (A) Obsolete or inefficient buildings as evidenced by a decline of at least seventy-five percent (75%) in their assessed valuation during the preceding ten (10) years.
  - (B) Transportation or access problems.
  - (C) Environmental contamination.
- (3) At least four hundred (400) fewer persons are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.
- (4) The area has been designated as an economic development target area under IC 6-1.1-12.1-7.
- (5) The unit has appropriated, pooled, set aside, or pledged at least two hundred fifty thousand dollars (\$250,000) for purposes of addressing the redevelopment obstacles described in subdivision (2).
- (6) The area is located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).

(f) The advisory commission, or the county or municipal legislative body, in the case of a district designated under section 10.5 of this chapter, shall designate the duration of the district, but the duration may not exceed fifteen (15) years (at the time of designation).

(g) Upon adoption of a resolution designating a district, the advisory commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. The budget committee shall meet not later than ten (10) days after receipt of a resolution and shall make a recommendation on the resolution to the budget agency.

(h) When considering a resolution, the budget committee and the budget agency must make the following findings:

- (1) The area to be designated as a district meets the conditions



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necessary for designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

~~(g)~~ **(i)** The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the budget agency approves the resolution.

SECTION 9. IC 36-7-13-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 13. (a) If an advisory commission on industrial development designates a district under section 12 of this chapter **or if the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter**, the advisory commission, **or the legislative body in the case of a district designated under section 10.5 of this chapter**, shall send a certified copy of the resolution **or ordinance** designating the district to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Employers in the district.
- (2) Street names and the range of street numbers of each street in the district.

The advisory commission, **or the legislative body in the case of a district designated under section 10.5 of this chapter**, shall update the list before July 1 of each year.

(b) Not later than sixty (60) days after receiving a copy of the resolution **or ordinance** designating a district, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.

SECTION 10. IC 36-7-13-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15. (a) If an advisory commission on industrial development designates a district under this chapter **or the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter**, the treasurer of state shall establish an incremental tax financing fund for the county. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), the following amounts shall be deposited during each state fiscal year in the incremental tax financing fund established for the county under subsection (a):

- (1) The aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the district,

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until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the district.

(2) The aggregate amount of state and local income taxes paid by employees employed in the district with respect to wages earned for work in the district, until the amount of state and local income taxes deposited equals the income tax incremental amount.

(c) The aggregate amount of revenues that is:

(1) attributable to:

(A) the state gross retail and use taxes established under IC 6-2.5;

(B) the gross income tax established under IC 6-2.1;

(C) the adjusted gross income tax established under IC 6-3-1 through IC 6-3-7; and

(D) the supplemental net income tax established under IC 6-3-8; and

(2) deposited during any state fiscal year in each incremental tax financing fund established for a county;

may not exceed one million dollars (\$1,000,000) per county.

(d) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a county shall be distributed to the district's advisory commission on industrial development for deposit in the industrial development fund of the unit that requested designation of the district.

SECTION 11. IC 36-7-13-16, AS AMENDED BY P.L.138-1999, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A unit may issue bonds or other obligations to finance the costs of addressing the development obstacles described in section 12(b)(3), ~~or~~ 12(c), **12(d)(3), or 12(e)(2)** of this chapter in the district.

(b) The district bonds are special obligations of indebtedness of the district. The district bonds issued under this section, and interest on the district bonds, are payable solely out of amounts deposited in the industrial development fund under this chapter.

SECTION 12. IC 36-7-13-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 19. When the advisory commission, **or the legislative body of a county or municipality that adopts an ordinance designating a district under section 10.5 of this chapter**, determines that the purposes for which a district was established have been accomplished and that all bonds or other obligations issued under this chapter and all interest on those bonds or obligations have been fully paid, the advisory commission **or the legislative body** shall adopt a resolution terminating the district. If an

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advisory commission **or a legislative body** adopts a resolution under this section, the advisory commission **or the legislative body** shall send a certified copy of the resolution by certified mail to the department.

SECTION 13. IC 36-7-31.3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. (a) A tax area must be initially established by resolution:

**(1) except as provided in subdivision (2), before July 1, 1999;**

**or**

**(2) in the case of a second class city, before July 1, 2002;**

according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. A tax area may be changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area.

(b) In establishing the tax area, the city or county legislative body must make the following findings instead of the findings required for the establishment of economic development areas:

(1) There is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used:

(A) by a professional sports franchise; or

(B) for convention or tourism related events.

(2) The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

(3) The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the ~~county~~ **designating body** to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 14. **An emergency is declared for this act.**

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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

Approved: \_\_\_\_\_

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Governor of the State of Indiana

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